

substantially in the form of Exhibit A or, if Initial Advance will be an Original Agreement Refinancing Advance, Exhibit A-1, and shall include the date and amount of the Initial Advance, and a borrowing base certification satisfactory to the Funding Agents, setting forth the information required therein. The Initial Advance shall be the Original Agreement Refinancing Advance (if any is required) or shall be made against, and in connection with the acquisition into the Borrower's Portfolio of, an aggregate Adjusted Borrowing Value of Aircraft as specified on the related Initial Advance Request, in either case, allocated among Class A Advances and Class B Advances based on the respective applicable Borrowing Bases at such time (and giving effect to such acquisition in determining the applicable Borrowing Bases), and shall be allocated *pro rata* among the Funding Groups based on their respective Funding Group Limits. The Borrower's Initial Advance Request shall be irrevocable unless and to the extent otherwise agreed among the parties in connection with closing the Initial Advances.

(b) Additional Advances. During the Additional Advance Commitment Period, the Borrower may request Additional Advances from time to time hereunder, by giving notice (herein called an "Additional Advance Request") to the Administrative Agent and the Collateral Agent and Account Bank (with a copy to be sent or delivered separately to each Funding Agent and, if funding through a Holding Account Bank is to be applicable, to the applicable Holding Account Bank), of the proposed Additional Advances not later than 11:00 a.m., New York time, three (3) Business Days prior to the proposed date of such Advances. The Additional Advance Request shall be substantially in the form of Exhibit A and shall include (i) the date and amount of such Additional Advances, (ii) whether and to what extent such Additional Advance constitutes an Additional Advance for the purpose of the Borrower's directly or indirectly acquiring Additionally Financed Aircraft, a Critical Mass Event Advance, an Improvement Advance or an Increased Availability Advance, (iii) whether such Additional Advance will involve transfers of Advance proceeds initially deposited into the Borrower Funding Account to either or both of the London Holding Account and/or the Hong Kong Holding Account pending subsequent release to the Borrower during the Holding Period (as defined in subsection (c) of Section 2.3 below), and if so the amount of such transfers to such accounts, (iv) the amount of the proceeds of any such Advance, if constituting proceeds of a Class B Advance, to be transferred from the Borrower Funding Account for deposit into the Liquidity Reserve Account, and (v) a borrowing base certification satisfactory to the Administrative Agent, setting forth the information required therein. Each Additional Advance Request (i) shall be for an aggregate principal amount of at least \$5,000,000 (except that the final Additional Advance Request preceding the Conversion Date may be for a lesser amount), (ii) shall be made against, and in connection with (unless constituting an Improvement Advance, a Critical Mass Event Advance or an Increased Availability Advance) the anticipated acquisition into the Borrower's Portfolio of an aggregate Adjusted Borrowing Value of Aircraft as specified on the related Additional Advance Request, (iii) shall be allocated among Class A Advances and Class B Advances based on the respective Borrowing Bases at such time (and, in the case of Additionally Financed Aircraft, based on the respective Borrowing Bases but calculating them giving effect to and assuming all the proposed Additionally Financed Aircraft anticipated to be funded through such Advances will be funded on the same date within the Holding Period, and (iv) shall be allocated *pro rata* among the Funding Groups based on their respective Funding Group Limits.

(c) Funding Group Procedures; Monthly Eurodollar Rate Determination.

(i) The UBS Funding Agent shall promptly send notice of each proposed Advance (and the UBS Funding Group's ratable share thereof) to all of the UBS Non-Conduit Lenders concurrently by telecopier, or electronic mail promptly confirmed by telecopier, specifying the date of such Advance, the UBS Non-Conduit Lender Percentage of each UBS Non-Conduit Lender multiplied by the aggregate amount of the UBS Funding Group's ratable share of the Advance being requested and whether the Yield for the Interest Period for such Advance is calculated based on the Eurodollar Rate or the Alternate Base Rate.

(ii) Each Other Funding Agent shall promptly send notice of each proposed Advance (and the Other Funding Group's ratable share thereof) to all of the Other Non-Conduit Lenders concurrently by telecopier, or electronic mail promptly confirmed by telecopier, specifying the date of such Advance, the Other Non-Conduit Lender Percentage of each Other Non-Conduit Lender multiplied by the aggregate amount of the Other Funding Group's ratable share of the Advance being requested and whether the Yield for the Interest Period for such Advance is calculated based on the Eurodollar Rate or the Alternate Base Rate.

(iii) If a Conduit Lender in an Other Funding Group, if ever any, has determined not to make its ratable share of a proposed Advance (or if there is no Conduit Lender in such Other Funding Group), the related Other Funding Agent shall promptly send notice of the proposed Advance (and such Conduit Lender's ratable share thereof, if applicable) to all of the related Non-Conduit Lenders in such Other Funding Group concurrently by telecopier or electronic mail specifying the date of such Advance, the Other Non-Conduit Lender Percentage of each Other Non-Conduit Lender multiplied by the aggregate amount of the applicable Other Funding Group's ratable share of the Advance being requested, and whether the Yield for the Interest Period for such Advance is calculated based on the Eurodollar Rate or the Alternate Base Rate.

(iv) The Administrative Agent shall, two (2) Business Day's before the first day of each full monthly Interest Period during which the Advances will continue to bear interest based upon the Eurodollar Rate, determine the rate of interest for the upcoming one month Interest Period for each Funding Group's ratable share of the outstanding Advances, as contemplated in the definition of Eurodollar Rate. The Administrative Agent shall thereupon promptly notify the Borrower and each Funding Agent of the Eurodollar Rate it so determines, which will then constitute the Eurodollar Rate applicable to each Funding Group's ratable share of the Advances for the upcoming monthly Interest Period.

SECTION 2.3 Funding.

(a) Subject to the satisfaction of the conditions precedent set forth in Section 7.1B, as well as the conditions precedent in Section 7.5 with respect to the Initial Advance, or the conditions in Section 7.3 and Section 7.5 with respect to an Additional Advance constituting an Improvement Advance, or the conditions in Section 7.4 and Section 7.5 with respect to an

Additional Advance constituting a Critical Mass Event Advance or an Increased Availability Advance, as well as (in each case) the limitations set forth in Section 2.1 and Section 2.2, each Funding Agent, to the extent of the respective fundings made by the applicable Conduit Lender[s] (if any) and/or Non-Conduit Lenders in its Funding Group, shall, by wire transfer, make the proceeds of such requested Advance available in the Deutsche Bank "Trust and Securities Services Account" (following which the Collateral Agent/Account Bank shall immediately transfer such funds to Borrower Funding Account) in same day funds no later than 12:30 p.m., New York time, on the proposed date of the Advance; provided, that with respect to Improvement Advances, the proceeds thereof shall be wire transferred at the direction of the Borrower to the appropriate account of AerCap in repayment of the related amounts borrowed under the AerCap Liquidity Facility, and the proceeds of a portion of the related Class B Advances associated with an Improvement Advances, Critical Mass Advance or Increased Availability Advance may be directed by the Borrower for transfer from the Borrower Funding Account for deposit into the Liquidity Reserve Account to increase the balance therein up to their required funding levels. The Account Bank shall (i) not release any funds in the Borrower Funding Account to, or at the direction of, the Borrower unless the Account Bank shall have received written instructions (which written instructions may be provided by e-mail) to do so from the Administrative Agent, and also shall have received written directions (which written directions may be provided by e-mail) from the Borrower of the amounts to disburse and payment instructions, and (ii) if an Advance is not to be made on the proposed date for such Advance because any condition precedent with respect to such Advance has not been satisfied, return to the applicable Funding Agent, the funds made available in the Borrower Funding Account by such Person upon receipt of a written request of such Person. Notwithstanding the foregoing, the funding and release procedures applicable to Additional Advances requested to finance the acquisition of one or more anticipated Additionally Financed Aircraft, as described on the related Additional Advance Request, shall be as set forth in subsection (c) of this Section below (including the provisions in such subsection relevant to satisfaction of the conditions in Section 7.2 and Section 7.5 with respect to any such Additional Advance).

(b) Notwithstanding anything herein to the contrary, (x) a Non-Conduit Lender shall not be obligated to make an Advance under this Section 2.3 at any time in an amount which would exceed such Non-Conduit Lender's Non-Conduit Lender Commitment, less the amount of any prior Advances still outstanding made by such Non-Conduit Lender, and (y) if a Non-Conduit Lender has entered into a Participation Agreement relating to all or any portion of its Non-Conduit Lender Commitment, it shall not be obligated to the Borrower to fund against such related amount of its commitment if it does not receive funding in respect of such related amount from the Participant. Each Non-Conduit Lender's obligation shall be several, such that the failure of any Non-Conduit Lender to make available to the applicable Funding Agent any funds in connection with any Advance shall not relieve any other Non-Conduit Lender of its obligation, if any, hereunder to make funds available on the date of such Advance, but no Non-Conduit Lender shall be responsible for the failure of any other Non-Conduit Lender to make funds available in connection with any Advance; provided, however, that:

(i) if a Class A Non-Conduit Lender shall fail to make available to the applicable Funding Agent any funds in connection with any Class A Advance, any other Class A Non-Conduit Lender in the same Funding Group (or any other Class A

Non-Conduit Lender in any other Funding Group) may, in its sole discretion, make available to the Administrative Agent any such funds without regard to the pro rata provisions of this Agreement and without regard to the Class A Non-Conduit Lender Commitment of such Non-Conduit Lender, each of which shall be deemed to be adjusted to reflect such Advance without any act of any Person being necessary therefor; and

(ii) if a Class B Non-Conduit Lender shall fail to make available to the applicable Funding Agent any funds in connection with any Class B Advance, any other Class B Non-Conduit Lender in the same Funding Group (or any other Class B Non-Conduit Lender in any other Funding Group) may, in its sole discretion, make available to the Administrative Agent any such funds without regard to the pro rata provisions of this Agreement and without regard to the Class B Non-Conduit Lender Commitment of such Non-Conduit Lender, each of which shall be deemed to be adjusted to reflect such Advance without any act of any Person being necessary therefor.

(c) Notwithstanding the provisions of subsection (a) of this Section 2.3 above, the following funding and funds release procedures shall apply to Additional Advances requested to finance the Borrower's acquisition, directly or indirectly, of one or more anticipated Additionally Financed Aircraft, as described on the related Additional Advance Request (and references below to such acquisitions, shall be deemed to refer to the Borrower indirect acquisition through one or more Borrower Subsidiaries of such Aircraft).

(i) The Borrower's Additional Advance Request, in addition to containing the other information required for Additional Advance Requests described in Section 2.2(b), (A) shall identify the amount of Advance proceeds initially deposited into the Borrower Funding Account to be transferred to the London Holding Account and/or the Hong Kong Holding Account (or if no such funds are to be so transferred, shall specifically so indicate), and (B) shall identify, with the greatest specificity feasible, the date or dates (any of which shall be a Business Day), not less than three, and not more than eight, Business Days from the date that the Borrower delivers such Advance Request (such period, the "Holding Period"), that the Borrower anticipates that the conditions precedent to funding against each proposed Additionally Financed Aircraft set forth in Sections 7.2 and 7.5 shall be satisfied as to each such requested Aircraft.

(ii) Based upon such Additional Advance Request containing the information set forth in clause (i) of this subsection (c) (and the borrowing base certification referred to in Section 2.2(b) above), and subject to the limitations set forth in Section 2.1 and Section 2.2, each Funding Agent, based on the respective fundings made by the applicable Conduit Lender[s] (if any) and/or Non-Conduit Lenders in its Funding Group, shall by wire transfer, make the entire proceeds of such requested Additional Advance available in the Deutsche Bank "Trust and Securities Services Account" (following which the Collateral Agent/Account Bank shall immediately transfer such funds to the Borrower Funding Account) in same day funds no later than 12:30 p.m., New York time, on the third Business Day following delivery of the related Additional Advance request. The Funding Agent (through the receipt of funds from the related Lenders) is to make such proceeds available in the Borrower Funding Account notwithstanding that the

funding conditions set forth in Section 7.2 and 7.5 for acquisition of an Additionally Financed Aircraft shall not yet have been satisfied in respect of all or any portion of the anticipated Additionally Financed Aircraft. The respective amounts so advanced by the Lenders through the related Funding Agent shall be based on the applicable Borrowing Bases certified to by the Borrower as part of the related Additional Advance Request (and assuming that all proposed Aircraft become Funded Aircraft by the end of the Holding Period). Such Advances by the Lenders shall constitute Advances for all purposes hereunder on and as of the date made, notwithstanding that any one or more of the proposed Aircraft may not become Additionally Financed Aircraft during the Holding Period.

(iii) Following receipt of such Advances in the Borrower Funding Account, if the related Advance Request has so specified, the Account Bank shall transfer on the date of receipt, and without further direction or authorization from the Borrower, any Funding Agent or the Administrative Agent required, the specified amount of funds to the London Holding Account and/or the Hong Kong Holding Account, as applicable.

(iv) On any Business Day during the Holding Period, and while funds from the above-described Advances remain within the Borrower Funding Account, London Holding Account or Hong Kong Holding Account, as the case may be, the Borrower may request a release of funds from such account to it or at its direction, for the purpose of financing a portion of the acquisition cost of one or more of the Aircraft described in the Additional Advance Request. The Borrower shall make such request by giving notice (herein called a "Holding Period Release Request") to the Administrative Agent for the requested release of funds not later than 10:00 a.m., New York time, on the requested date of funding, which (A) shall be a Business Day, and (B) shall be a day within the Holding Period. The Holding Period Release Request (1) shall include the date and amount of such desired release of funds, (2) shall specify the applicable account or accounts from which such release shall occur, (3) shall specify wire transfer instructions for the delivery of released funds to their intended recipient, (4) shall specify a time for such release to occur (or otherwise indicate a manner for communicating such time of release mutually acceptable to the Borrower and the Administrative Agent), subject to the limitations of clause (v) immediately below, (5) shall indicate that such release is for the purpose of funding a direct acquisition of one or more of the Additionally Financed Aircraft identified in the related Additional Advance Request (and specifically identify the Aircraft to be funded with each requested release), and (6) shall contain a borrowing base certification satisfactory to the Administrative Agent, setting forth the information required therein. Each Holding Period Release Request shall be for an aggregate amount of at least \$1,000,000, but not exceeding the proceeds of the related Advances held on deposit in the applicable account.

(v) Assuming compliance with the foregoing notice procedures and the satisfaction of each of the conditions precedent to an Additional Advance for the purpose of acquiring an Additionally Financed Aircraft under Section 7.2 and the conditions set forth in Section 7.5, the Administrative Agent shall (A) in the case of transfers from the Borrower Funding Account, instruct the Account Bank to transfer the requested funds to

the specified recipient account, at the time the Borrower has requested that such transfer be made pursuant to the Holding Period Release Request (but in no event later than 4 p.m., New York time, on the requested date), and the Account Bank hereby agrees to comply with such instruction; *provided, however*, that each of the parties hereto understands and agrees that in the event that the Administrative Agent does not provide written notification to the Collateral Agent and Account Bank by 2 p.m. New York time stating that no such transfer instructions shall be delivered on that date, any funds in the Borrower Funding Account may remain uninvested until the next succeeding Business Day, and (B) in the case of transfers from the London Holding Account or the Hong Kong Holding Account, instruct the London Account Bank and/or the Hong Kong Account Bank, consistent with its authorizations to do so in the related Holding Account Control Agreements, to transfer the requested funds to the specified recipient account, at the time the Borrower has requested that such transfer be made pursuant to the Holding Period Release Request (but in no event later than the time specified in the applicable Holding Account Control Agreement on the requested date).

(vi) The Borrower may at any time and, if the Borrower fails to do so after the Holding Period ends, the Administrative Agent shall, direct the London Account Bank and/or Hong Kong Account Bank to transfer funds remaining on deposit in the London Holding Account and/or the Hong Kong Holding Account back to the Borrower Funding Account, and direct the Account Bank to transfer (following receipt of the funds transfers referred to above into the Borrower Funding Account, if applicable) all funds remaining in the Borrower Funding Account after the Holding Period ends to the applicable Funding Agent for the account of the each Lender in repayment of the related Advances not invested in an Aircraft acquisition, pro rata based on the respective proportionate amount of such Advances initially funded. Any outstanding accrued interest on such repaid Advances, together with breakage amounts, if any, that may be owing in respect of such repayment pursuant to Section 6.4, will be payable by the Borrower on the next Payment Date following the calendar month in which such repayment occurs, pursuant to the Flow of Funds, and need not be paid by the Borrower concurrently with such repayments

(vii) Notwithstanding the foregoing provisions of this subsection (c), the Borrower will not be permitted to use the funding mechanisms contemplated in the London Holding Account and the Hong Kong Holding Account until the applicable account has been established and made subject to a Holding Account Control Agreement, and until the Borrower has procured a legal opinion, addressed to the Administrative Agent and the Collateral Agent and in form and substance reasonably satisfactory to the Administrative Agent, to the effect that the Collateral Agent has, pursuant to the Holding Account Control Agreement or otherwise, a valid, perfected (to the extent such concept applies under applicable law governing the Holding Account Control Agreement), enforceable first priority security interest in, pledge of, lien on or charge over, the London Holding Account or Hong Kong Holding Account, as applicable.

SECTION 2.4 Representation and Warranty. Each request for an Advance pursuant to Section 2.2 or delivery of a Holding Period Release Request shall automatically constitute a

representation and warranty by the Borrower to the Administrative Agent, the Funding Agents and the Lenders that, on the date of such Advance or the date of release of funds contemplated in the Holding Period Release Request, and after giving effect to such Advance or release and the consummation of the transactions contemplated in the making of such Advance or release, (a) the representations and warranties contained in Article IX will be true and correct as of the date of such Advance and such release, as applicable, as though made on such date (except, that any such representations or warranties expressly stated by their terms to be made only at or as of one or more particular dates or times, shall be made only at or as of such specified dates or times and are not so automatically repeated), (b) no Default, Event of Default, Early Amortization Event, or event that would constitute an Event of Default or Early Amortization Event but for the passage of time or the giving of notice or both has occurred and is continuing or will result from the making of such Advance and such release, as applicable, and (c) after giving effect to such requested Advance and such release, as applicable:

(i) the Outstanding Class A Principal Amount hereunder shall not exceed the Maximum Class A Principal Amount;

(ii) the Outstanding Class B Principal Amount hereunder shall not exceed the Maximum Class B Principal Amount; and

(iv) the Outstanding Principal Amount hereunder shall not exceed the Maximum Aggregate Principal Amount.

SECTION 2.5 Notes. (a) The Borrower shall, on the Initial Advance Date, execute and deliver a Note to each Funding Agent if and to the extent requested to do so by such Funding Agent. The Borrower shall promptly execute and deliver a Note to each new Funding Agent that requests a Note after the Closing Date. All Notes (under and as defined in the Original Agreement) delivered by the Borrower on the Original Closing Date shall be returned to the Borrower, or its designee, on the Closing Date.

(b) The Advances and Yield thereon related to a Funding Group shall at all times (including after assignment pursuant to Section 15.1), to the extent a Note has been requested by a Funding Agent, be represented by such Note and/or a replacement Note therefor, payable to the order of the applicable requesting Funding Agent, for the benefit of the Lenders in such Funding Agent's Funding Group. The Borrower hereby irrevocably authorizes each Funding Agent holding a Note to make (or cause to be made) appropriate notations on the grid attached to its Note (or on any continuation of such grid, or at any Lender's option, in its records), which notations, if made, shall evidence, inter alia, the date of, the outstanding principal of, and the Lender Rate and Interest Period applicable to, the Advances evidenced thereby. Such notations shall be conclusive and binding for all purposes absent manifest error; provided, however, that the failure to make any such notations shall not limit or otherwise affect any Obligations of the Borrower. Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the Borrower to such bank resulting from each Loan of such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(c) With respect to each Funding Agent that shall not have requested a Note, the Funding Agent shall maintain a register pursuant to Section 15.5(a) and a subaccount therein for each Lender in its related Funding Group, in which shall be recorded (i) the amount of each Advance made by such Lenders hereunder, and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to such Lender hereunder and (iii) both the amount of any sum received by the Funding Agent hereunder from the Borrower and each such Lender's share thereof.

The entries made in such register and the accounts of each such Lender maintained pursuant to subsection (c) of this Section 2.5 shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of any such Lender or its Funding Agent to maintain the register or any such account, or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Advances actually made to the Borrower by such Lender in accordance with the terms of this Agreement.

ARTICLE III

YIELD, FEES, ETC.

SECTION 3.1 Yield.

(a) Payment. The Borrower hereby promises to pay Yield on the unpaid principal amount of each Advance (or each portion thereof) for the period commencing on the date of such Advance until the date such Advance is paid in full.

(b) Maximum Yield. No provision of this Agreement or any Note shall require the payment or permit the collection of Yield in excess of the maximum permitted by applicable law.

SECTION 3.2 Yield Payment Dates. Yield accrued on (i) each Advance shall be payable on each Payment Date and (ii) the amount of Advances being repaid or prepaid on any other Settlement Date shall be paid on such Settlement Date.

SECTION 3.3 [Reserved].

SECTION 3.4 Fees. The Borrower agrees to pay to the Administrative Agent certain Fees in the amounts and on the dates set forth in the amended and restated letter agreement between the Administrative Agent and the Borrower dated as of the date hereof (as the same may be amended, restated, supplemented or otherwise modified pursuant to its terms, the "Fee Letter").

SECTION 3.5 Computation of Yield. All Yield hereunder shall be computed on the basis of a year of 360 days, except that Yield computed by reference to the Alternate Base Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Yield with respect to each Funding Group shall be determined by

the Funding Agent for such Funding Group in accordance with the provisions of this Agreement and such determination shall be conclusive absent manifest error.

ARTICLE IV

REPAYMENTS, PREPAYMENTS AND PAYMENTS

SECTION 4.1 Required Principal Repayments.

(a) Payment Dates. On each Payment Date occurring on or after the Conversion Date, the Borrower shall be required to make the principal payments required under the Flow of Funds (including as a result of the allocation and application of Collections derived from the sale or other disposition, voluntary or involuntary, of an Aircraft or Aircraft Owning Entity) in reduction of the aggregate Outstanding Principal Amount to the extent of funds available to make such payments pursuant to the Flow of Funds.

(b) Facility Termination Date. The aggregate Outstanding Principal Amount shall be due and payable in full on the Facility Termination Date.

SECTION 4.2 Principal Prepayments.

(a) Voluntary Prepayment. The Borrower may voluntarily prepay the outstanding principal amount of the Advances, in whole or in part; provided, however, that:

(i) all such voluntary prepayments shall require at least three (3) Business Days' prior written notice to the Administrative Agent and each Funding Agent;

(ii) all such voluntary partial prepayments shall be in a minimum amount of \$1,000,000 (unless such payment results in a repayment in full); and

(iii) all such voluntary prepayments shall be paid (x) prior to the Conversion Date, *pro rata* to the Lenders based upon the respective outstanding Advances funded by such Lenders and (y) on and after the Conversion Date, into the Collection Account and applied in accordance with the terms of the Flow of Funds on the next Payment Date.

(b) Mandatory Prepayments. Upon the sale, transfer or other disposition of any Aircraft, or any Equity Interest in any Aircraft Owning Entity or Owner Participant to a Person that is not a Borrower Group Member, by the Borrower or any Borrower Subsidiary (including, without limitation, in connection with the consummation of any ABS Transaction or any other refinancing by the Borrower), the Borrower shall forthwith deposit into the Collection Account an amount equal to the net proceeds of such sale or disposition (together with all amounts maintained in the Maintenance Reserves Account and the Security Deposit Account attributable to such Aircraft or Equity Interest, that are not payable to the applicable Lessee or seller of such Aircraft or Equity Interest), which amounts shall be applied in accordance with the Flow of Funds hereof on the next Payment Date after such sale, transfer or other disposition. Upon the occurrence of an Event of Loss with respect to any Aircraft, the Borrower shall, on the first

Payment Date following the receipt of any insurance, condemnation or other proceeds (including any Lessee or other third party payments and all amounts maintained in the Maintenance Reserves Account and the Security Deposit Account attributable to such Aircraft that are not required to be returned to the Lessee in accordance with the terms of the Lease) in respect of such Event of Loss, deposit into the Collection Account an amount equal to the then Allocable Advance Amount of such Aircraft (determined as of the date of such Event of Loss), which amount shall be applied in accordance with the Flow of Funds on the next Payment Date after such deposit.

(c) Breakage. Each prepayment under this Section 4.2 shall be subject to the payment of any breakage cost amounts required by Section 6.4 resulting from such prepayment; provided that there shall be no breakage costs for prepayments occurring on any Payment Date.

SECTION 4.3 Payments Generally. Subject to, and in accordance with, the provisions of this Agreement, all payments of principal of, or Yield on, the Advances shall be made (whether pursuant to the Flow of Funds or otherwise) no later than 2:00 p.m., New York time, on the day when due in lawful money of the United States of America in same day funds to the applicable Funding Agent, to one or more accounts designated by the UBS Funding Agent, in the case of the UBS Funding Group, or to one or more accounts designated by an Other Funding Agent, in the case of an Other Funding Group, or such other account as the applicable Funding Agent shall designate in writing to the Borrower and the Administrative Agent not fewer than three (3) Business Days prior to the intended effective date of any such designation. Funds received by the applicable Funding Agent after 2:00 p.m., New York time, on the date when due, will be deemed to have been received by the applicable Funding Agent on its next following Business Day. It is understood that payments made by the Borrower to a Funding Agent or the Administrative Agent in accordance with this Agreement constitute, when made and received, a discharge and satisfaction of the Borrower's corresponding obligation to the applicable Lender hereunder.

SECTION 4.4 Sharing of Set-Off. If any Class A Lender or Class B Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain, at any time, payment in respect of any principal of, or Yield on, any of its Advances or other Obligations resulting in such Lender receiving payment of a proportion of the aggregate amount of its Advances and accrued Yield thereon or other Obligations greater than it would have been entitled to receive as provided herein, then such Lender shall (a) notify the Administrative Agent and each Funding Agent of such fact, and (b) purchase (for cash at face value) participations in the Class A Advances or Class B Advances, respectively, and such other Obligations of the other Class A Lenders or Class B Lenders, respectively, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by such Lenders, respectively, ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Class A Advances or Class B Advances and other amounts owing them as provided herein, provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Advances to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this paragraph shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under any applicable Requirement of Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation. If under applicable bankruptcy, insolvency or any similar law any Lender receives a secured claim in lieu of a setoff or counterclaim to which this paragraph applies, such Lender shall, to the extent practicable, exercise its rights in respect of such secured claim in a manner consistent with the rights to which the Lender is entitled under this paragraph to share in the benefits of the recovery of such secured claim.

ARTICLE V

LIQUIDITY RESERVE

SECTION 5.1 Establishment of Liquidity Reserve Account.

(a) Liquidity Reserve. On or prior to the Initial Advance Date, the Borrower shall have opened an account (number 51949) in the name of the Borrower maintained with the Account Bank (the "Liquidity Reserve Account") and deposited into such Liquidity Reserve Account an amount at least equal to the Initial Required Liquidity Reserve Amount as of such Initial Advance Date (and after giving effect to the Initial Advances to be funded on such date). Such amounts may be funded with the proceeds of Class B Advances.

(b) Maintenance of Reserves. The Collateral Agent shall take all actions as shall be reasonably necessary to preserve, protect, maintain or enforce its rights with respect to the Liquidity Reserve Account.

(c) Provisions Applicable to Reserve Accounts. The following provisions will apply to the Liquidity Reserve Account established pursuant to Section 5.1(a):

(i) The Liquidity Reserve Account shall be subject to the control provisions of the Security Trust Agreement, and neither the Borrower nor any Affiliate, agent, employee or officer of the Borrower shall have any right to withdraw any amount from the Liquidity Reserve Account.

(ii) The taxpayer identification number associated with the Liquidity Reserve Account shall be that of the Borrower and the Borrower will report for federal, state and local income tax purposes the income, if any, earned on funds in the Liquidity Reserve Account.

(iii) All funds on deposit in the Liquidity Reserve Account shall be invested in Eligible Investments as specified by the Borrower in writing to the Account Bank from time to time; provided, that if the Borrower shall fail to specify such Eligible Investments in a timely manner, the Collateral Agent, at the direction of the Administrative Agent, may specify such Eligible Investments. All investments of funds on deposit in the Liquidity Reserve Account shall mature, or may be sold or withdrawn without loss, not later than the Business Day preceding the next Payment Date. Income earned on funds deposited to the Liquidity Reserve Account, if any, shall be transferred by the Account Bank to the Collection Account on the Business Day prior to each Payment Date for distribution pursuant to the Flow of Funds.

(iv) Each of the Borrower and the Administrative Agent hereby agree and acknowledge, notwithstanding the agreements of the Collateral Agent described in this Section 5.1(c), that the Collateral Agent shall retain exclusive dominion and control of the Liquidity Reserve Account.

(d) Liquidity Reserve Draws. (i) To the extent that Available Collections on deposit in the Collection Account on any Payment Date shall be insufficient to pay any of the amounts set forth immediately below which are due or payable on such Payment Date in accordance with the Flow of Funds (the amount by which such funds shall be so insufficient is herein referred to as an "Insufficiency"), the Borrower or, if the Borrower fails to do so, the Collateral Agent (at the written direction of the Administrative Agent), shall make a draw upon the Liquidity Reserve Account in an amount equal to the lesser of (i) the amount then available to be drawn under the Liquidity Reserve Account and (ii) the applicable Insufficiency. If the Borrower has made such draw, it shall deposit the proceeds thereof into the Collection Account and (whether the Borrower or the Collateral Agent has made such draw) the Collateral Agent shall apply, to the extent possible, the proceeds of such draw to the amounts set forth below which shall be due or payable on such Payment Date but are not as a result of the Insufficiency being otherwise paid, in the order of priority set forth below:

(A) to the Collateral Agent in payment in full of all accrued Collateral Agent Fees and Expenses;

(B) pro rata (1) to the counterparties on any Hedge Agreements for the hedge payments due from the Borrower thereunder (other than termination payments), if any, and (2) ratably to each Class A Funding Agent, any Yield due under this Agreement in respect of outstanding Class A Advances funded by such Class A Funding Agent's Class A Funding Group (it being agreed that each Class A Funding Agent shall distribute any such Yield received to the Lenders in its Funding Group on a pro rata basis based upon the outstanding principal amount of Advances funded by such Lenders);

(C) pro rata, (1) to each Class A Funding Agent in respect of outstanding Class A Advances funded by such Funding Agent's Funding Group, in the amount of the Class A Borrowing Base Deficiency on such Payment Date (it being agreed that each Class A Funding Agent shall distribute any such amount received to the Lenders in its Funding Group on a pro rata basis based

upon the outstanding principal amount of Advances funded by such Lenders), and (2) to the counterparties on any Hedge Agreements for the hedge termination payments due from the Borrower thereunder (unless a default by the non-Borrower counterparty has caused the early termination);

(D) ratably to each Class B Funding Agent, any Yield (other than Yield accrued at the Default Rate to the extent in excess of the Yield that would otherwise be payable but for the occurrence and continuance of an Event of Default) due under this Agreement in respect of outstanding Class B Advances funded by such Funding Agent's Funding Group (it being agreed that each Class B Funding Agent shall distribute any such Yield received to the Lenders in its Funding Group on a pro rata basis based upon the outstanding principal amount of Advances funded by such Lenders); and

(E) ratably to each Class B Funding Agent in respect of outstanding Class B Advances funded by such Funding Agent's Funding Group, in the amount of the Class B Borrowing Base Deficiency on such Payment Date (it being agreed that each Class B Funding Agent shall distribute any such amount received to the Lenders in its Funding Group on a pro rata basis based upon the outstanding principal amount of Advances funded by such Lenders).

(ii) Upon the occurrence of an Event of Default, the Collateral Agent (at the direction of the Administrative Agent) shall promptly and, if the Collateral Agent fails to do so, the Administrative Agent may, draw upon the Liquidity Reserve Account in full and immediately deposit into the Collection Account for distribution pursuant to the Flow of Funds on the next Payment Date, an amount equal to the proceeds of such draw minus a holdback amount, if any, specified by the Administrative Agent. To the extent that an Insufficiency shall exist on any Payment Date after the initial holdback (if any) described above, the Collateral Agent (at the direction of the Administrative Agent) shall make a withdrawal from the remaining funds in the Liquidity Reserve Account in an amount equal to the lesser of (i) the amount then available to be withdrawn from the Liquidity Reserve Account and (ii) the amount which, if treated as Available Collections and applied pursuant to the Flow of Funds on such Payment Date, would eliminate the applicable Insufficiency, and shall so apply, to the extent possible, the funds so withdrawn.

(iii) To the extent that the Liquidity Reserve as of any Payment Date prior to the occurrence of an Event of Default (and after giving effect to all allocations under the Flow of Funds and other transactions, if any, to occur on such Payment Date) will exceed the Required Liquidity Reserve Amount, such excess may be released and applied as part of the Available Collections on such Payment Date as set forth in the Flow of Funds.

(e) Any Funds in the Class C Reserve Account (as defined in the Original Agreement) shall be released and applied as part of the Available Collections (as set forth in the Flow of Funds) on the first Payment Date following the Closing Date.

ARTICLE VI

INCREASED COSTS, ETC.

SECTION 6.1 Illegality. Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof shall make it unlawful for any Lender to make or maintain Advances as contemplated by this Agreement based upon the Eurodollar Rate ("Eurodollar Rate Advances"), such Lender shall give notice thereof to the Administrative Agent, the applicable Funding Agent and the Borrower describing the relevant provisions of such Requirement of Law, following which (a) the Commitment of a Non-Conduit Lender hereunder to make Eurodollar Rate Advances, and the agreement of any Lender to continue Eurodollar Rate Advances as such, as applicable, shall forthwith be cancelled and (b) such Lender's Advances then outstanding as Eurodollar Rate Advances, if any, shall accrue Yield at the Alternate Base Rate (i) from the next succeeding Payment Date or (ii) on any earlier date as required by law. If any such conversion of any Eurodollar Rate Advance occurs on a day that is not a Payment Date, the Borrower shall pay to such Lender such amounts, if any, as may be required pursuant to Section 6.4.

SECTION 6.2 Increased Costs.

(a) If (i) there shall be any increase in the cost to any Lender or any of its Affiliates, assignees or participants (and any further assignees or participants thereof) or any Person providing such Lender with a liquidity or credit enhancement arrangement (each of the foregoing an "Affected Party") of agreeing to make or making, funding or maintaining any Advance hereunder or (ii) any reduction in any amount receivable in respect thereof or otherwise under this Agreement, and such increased cost or reduced amount receivable is due to either:

(x) the introduction of or any change (including, without limitation, any change by way of imposition or increase of reserve requirements) in or in the interpretation of any law, regulation or accounting principle after the Original Closing Date (other than in respect of Taxes and other amounts addressed by Section 6.3); or

(y) the compliance with any guideline or request from any central bank or other Government Entity (whether or not having the force of law),

then the Borrower shall from time to time, on the first Payment Date occurring at least five (5) Business Days after the Borrower's receipt of written demand by such Affected Party, pay such Affected Party additional amounts sufficient to compensate such Affected Party for such increased cost or reduced amount receivable.

(b) If any Affected Party shall have reasonably determined that (i) the applicability of any law, rule, regulation or guideline adopted after the Original Closing Date, or the initial implementation after the Original Closing Date of any such law, rule, regulation or guideline adopted but not initially implemented prior to the Original Closing Date, pursuant to or arising out of (A) the July 1988 paper of the Basel Committee on Banking Regulations and Supervisory Practices entitled "International Convergence of Capital Measurement and Capital Standards," or

(B) the proposal for New Basel Capital Accord issued by the Basel Committee on Banking Supervision (as revised from time to time, the "New Accord"), or (ii) the adoption of any other law, rule, regulation or guideline after the Original Closing Date regarding capital adequacy, or the initial implementation after the Original Closing Date of any such law, rule, regulation or guideline adopted but not initially implemented prior to the Original Closing Date, and in either case affecting such Affected Party (including, but not limited to, any rule to be so adopted or so implemented with respect to recourse, residuals, liquidity commitments or direct credit substitutes, referred to hereinafter as the "New Rules"), or (iii) any change arising in the foregoing or in the interpretation or administration of any of the foregoing by any Government Entity, central bank or comparable agency charged with the interpretation or administration thereof, or (iv) compliance by such Affected Party (or any lending office of such Affected Party), or any holding company for such Affected Party which is subject to any of the capital requirements described above, with any request or directive of general application issued regarding capital adequacy (whether or not having the force of law) of any such Government Entity, central bank or comparable agency has or would have the effect of reducing the rate of return on such Affected Party's capital or on the capital of any such holding company as a direct consequence of such Affected Party's obligations hereunder or arising in connection herewith to a level below that which such Affected Party or any such holding company could have achieved but for such adoption, change or compliance (taking into consideration such Affected Party's policies and the policies of such holding company with respect to capital adequacy) by an amount deemed by such Affected Party to be material, then from time to time such Affected Party may request the Borrower to pay to such Affected Party such additional amounts as will compensate such Affected Party or any such holding company for any such reduction suffered.

(c) If as a result of any event or circumstance similar to those described in Section 6.2(a) or Section 6.2(b), any Affected Party is required to compensate a bank or other financial institution providing liquidity support, credit enhancement or other similar support to such Affected Party (whether directly or through a participation) with respect to amounts similar to those described in Section 6.2(a) or Section 6.2(b) in connection with this Agreement or the funding or maintenance of Advances hereunder, then within ten days after demand by such Affected Party, the Borrower shall pay to such Affected Party such additional amount or amounts as may be necessary to reimburse such Affected Party for any amounts paid by it. The Borrower acknowledges to each Lender that such Lender is providing no assurance that the committed liquidity support provided with respect to this Agreement will be assigned a zero percent credit-conversion factor under risk-based capital guidelines adopted by applicable bank regulatory authorities in response to the framework therefor announced in July, 1988 by the Basel Committee on Banking Regulations and Supervisory Practices or in response to the New Accord or under the New Rules. Notwithstanding the foregoing, no amount shall be payable under this subsection (c) except to the extent the affected bank or other financial institution providing the aforementioned support is a party to this Agreement as a Lender and is accordingly subject to the same provisions and restrictions applicable herein to a Lender party hereto (including without limitation, the provisions of Sections 6.2, 6.5 and 6.6 with respect to any claims made under this subsection (c)).

(d) Any failure or delay on the part of any Affected Party to demand compensation pursuant to clause (a), (b) or (c) of this Section 6.2 shall not constitute a waiver of such Affected